

Message Text

UNCLASSIFIED

PAGE 01 GENEVA 05235 01 OF 02 281102Z
ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-09 EUR-12 NEA-10
AID-05 EB-07 IGA-02 OMB-01 TRSE-00 L-03 ABF-01
OIC-02 SP-02 EPG-02 CIAE-00 INR-07 NSAE-00 PRS-01
PA-02 USIA-15 /120 W
-----109252 281134Z/12

R 280952Z JUN 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 8648
INFO USMISSION UN NEW YORK

UNCLAS SECTION 1 OF 2 GENEVA 5235

E.O. 11652: NA
TAGS: EAID, UNDP
SUBJ: 24TH UNDP GOVERNING COUNCIL: AGENDA ITEM 10(A) - ACTION
BY BUDGETARY AND FINANCE COMMITTEE

REF: A. GENEVA AIRGRAM A-148, B. GENEVA 4707

1. BUDGETARY AND FINANCE COMMITTEE HAS COMPLETED CONSIDERATION OF AGENDA ITEM 10(A) - FINANCIAL OUTLOOK FOR 1977-1981 AND FINANCIAL ACTIVITIES DURING 1976. AS INDICATED IN REF B, NON-CONVERTIBLE CURRENCY ISSUE WAS HANDLED IN LOW-KEY FASHION; MAIN FOCUS WAS ON GUIDELINES FOR COST SHARING AND THIRD PARTY COST SHARING ARRANGEMENTS.

2. DURING DEBATE, MOST MEMBERS EXPRESSED CONCERN OVER LOW-LEVEL OF PROJECT EXPENDITURES IN 1976 AND FORECAST FOR 1977, ALTHOUGH RECOGNIZING THAT UNDP HAS BEEN PRUDENT IN LIGHT OF FINANCIAL CRISIS. ASSISTANT ADMINISTRATOR HEPPLING ALSO EXPLAINED THAT REPLENISHMENT OF OPERATIONAL RESERVE NATURALLY WOULD CUT INTO PROPOSED INCREASES IN PROJECT EXPENDITURES.

3. THE DISCUSSION ON NON-CONVERTIBLE CURRENCIES WAS DESULTORY.
MOST WEO AND DEVELOPING COUNTRIES EXPRESSED GUARDED SATISFACTION
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 05235 01 OF 02 281102Z

OVER PROGRESS TO DATE AND WERE WILLING TO WAIT FOR FURTHER REPORT AT NEXT GC. USDEL MADE SOMEWHAT STRONGER STATEMENT (AIRGRAM A-148) BUT WAS SUPPORTED ONLY BY FRG. FOLLOWING IS TEXT OF DRAFT DECISION ADOPTED BY COMMITTEE (INTRODUCED BY US AND AMENDED AFTER CONSULTATIONS WITH USSR AND POLAND):

"TAKES NOTE OF THE ADMINISTRATOR'S ACTIONS TO UTILIZE ACCUMU-

LATED NON-CONVERTIBLE CURRENCIES AS CONTAINED IN DOCUMENTS DP/255 AND DP/266; AND ALSO NOTES WITH INTEREST THE REPORT OF THE ADMINISTRATOR TO THE COUNCIL ON HIS RECENT CONSULTATIONS IN A NUMBER OF EASTERN EUROPEAN COUNTRIES;

"EXTENDS ITS APPRECIATION TO THE ADMINISTRATOR FOR HIS EFFORTS TO RESOLVE THE PROBLEM IN ACCORDANCE WITH PREVIOUS GC DECISIONS;

"REAFFIRMS THE COMPREHENSIVE DECISION TAKEN BY THE 23RD GC AND ENCOURAGES ALL PARTIES CONCERNED TO CONTINUE THEIR EFFORTS TOWARD THIS END;

"SPECIFICALLY CALLS ON EXECUTING AGENCIES TO FACILITATE THE RECEIPT BY EXPERTS OF PORTIONS OF THEIR SALARIES IN ACCUMULATED NON-CONVERTIBLE CURRENCIES; AND REQUESTS A DETAILED REPORT ON THIS ASPECT OF THE ISSUE AT ITS NEXT SESSION COVERING THE PROGRESS ACHIEVED TO DATE IN RESOLVING THE PROBLEM AND PROGRESS MADE IN IMPLEMENTING THE PROVISIONS OF PREVIOUS COUNCL DECISIONS ON THIS SUBJECT, INCLUDING DETAILS ON THE DISCUSSIONS HELD WITH THE SPECIALIZED AGENCIES AND OTHERS";

4. ON COST SHARING, THE COMMITTEE ADOPTED THE FOLLOWING TEXT:

"DECIDES THAT THE ADMINISTRATOR MAY ACCEPT COST SHARING
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENEVA 05235 01 OF 02 281102Z

ARRANGEMENTS AND THIRD PARTY COSTS SHARING ARRANGEMENTS GUIDED BY THE FOLLOWING PRINCIPLES:

"(I) COST SHARING ARRANGEMENTS AND THIRD PARTY COST SHARING ARRANGEMENTS MAY BE ACCEPTED FOR INDIVIDUAL PROJECTS OR, WITHOUT SPECIFIC PROJECT IDENTIFICATION, FOR COUNTRY PROGRAMMES IN ACCORDANCE WITH UNDP NORMAL PROCEDURES;

"(II) THE LEVEL OF COST SHARING ARRANGEMENTS THAT MAY BE ACCEPTED WITHOUT PRIOR APPROVAL OF THE GOVERNING COUNCIL IS LIMITED TO \$10 MILLION FOR THE FIVE YEARS 1977-1981, OR AN AMOUNT THAT WOULD RESULT IN THE TOTAL COUNTRY PROGRAMME BEING DOUBLE THE SIZE OF THE IPF ESTABLISHED FOR THE COUNTRY, WHICHEVER IS LARGER. PROPOSALS FOR A HIGHER PROPORTION OF COST SHARING ARRANGEMENTS SHOULD BE REFERRED TO THE CG FOR DECISION;

"(III) THE LEVEL OF THIRD PARTY COST SHARING ARRANGEMENTS THAT MAY BE ACCEPTED WITHOUT PRIOR APPROVAL OF THE GC IS LIMITED TO \$10 MILLION FOR THE FIVE YEARS 1977-1981, OR AN AMOUNT THAT WOULD BE EQUAL THE SIZE OF TWICE THE IPF ESTABLISHED FOR THE COUNTRY, WHICHEVER IS LARGER. PROPOSALS FOR

A HIGHER PROPORTION OF THIRD PARTY COST SHARING ARRANGEMENTS
SHOULD BE REFERRED TO THE GC FOR DECISION;

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 GENEVA 05235 02 OF 02 281109Z
ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-09 EUR-12 NEA-10
AID-05 EB-07 IGA-02 OMB-01 TRSE-00 L-03 ABF-01
OIC-02 SP-02 EPG-02 CIAE-00 INR-07 NSAE-00 PRS-01
PA-02 USIA-15 /120 W
-----109338 281134Z/12

R 280952Z JUN 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 8649
INFO USMISSION UN NEW YORK

UNCLAS SECTION 2 OF 2 GENEVA 5235

(IV) WHEN CONSIDERING THIRD PARTY ARRANGEMENTS, IT SHALL
BE TAKEN INTO CONSIDERATION THAT CONTRIBUTIONS TO SUCH ARRANGE-
MENTS SHALL BE SEPARATE FROM VOLUNTARY CONTRIBUTIONS TO THE
GENERAL RESOURCES OF UNDP; THE LATTER SHALL NOT BE ALLOWED TO
BE DIVERTED FOR THIRD PARTY ARRANGEMENTS FROM THE OVERALL
RESOURCES OF THE PROGRAMME;

"(V) WITHIN THE ABOVE PRINCIPLES THE ANNUAL LEVEL OF THIRD
PARTY COST SHARING ARRANGEMENTS WHICH ANY DONOR COUNTRY MAY
ENTER INTO SHOULD BE RELATED TO ITS ANNUAL CONTRIBUTION TO
UNDP'S CENTRAL RESOURCES, THE EXACT SHARE TO BE ALLOWED TO BE
ESTABLISHED BY THE GC AT ITS NEXT SESSION;

"(VI) COUNTRIES PARTICIPATING IN COST SHARING AND THIRD
PARTY COST SHARING ARRANGEMENTS SHOULD, AS APPROPRIATE, AND
DISTINGUISHING AMONG VARIOUS SOURCES OF FINANCING, REIMBURSE
UNDP FOR ANY ADDITIONAL ADMINISTRATIVE COSTS RESULTING FROM
THEIR PARTICIPATION IN THE SCHEME OR MAKE PROVISION
FOR THE NECESSARY ASSISTANCE THROUGH AN ADMINISTRATIVE SUPPORT
PROJECT CHARGED TO COUNTRY PROGRAMME COSTS;

"REQUESTS THE ADMINISTRATOR TO REGULARLY REPORT ON COST
SHARING DEVELOPMENTS TO THE COUNCIL;
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 05235 02 OF 02 281109Z

"FURTHER REQUESTS THE ADMINISTRATOR TO PREPARE A COMPREHENSIVE SET OF RULES AND PROCEDURES COVERING COST SHARING AND THIRD PARTY COST SHARING AND TO CIRCULATE THEM PROVISIONALLY TO INTERESTED PARTIES, UNTIL THEY HAVE BEEN CONSIDERED BY THE GC AT ITS 25TH SESSION."

5. THE COMMITTEE ALSO CONSIDERED OTHER RELEVANT ITEMS UNDER AGENDA 10(A), E.G. REPLENISHMENT OF THE OPERATIONAL RESERVE, AMONG OTHERS, AND TOOK NOTE OF THESE DISCUSSIONS IN ITS REPORT (DOCUMENT DP.L.318/ADD. 7).SORENSEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, BUDGETS, MEETING AGENDA, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA05235
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770230-0402
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770611/aaaaajqq.tel
Line Count: 184
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d91a9e73-c288-dd11-92da-001cc4696bcc
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 GENEVA A-148, 77 GENEVA 4707
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2012058
Secure: OPEN
Status: NATIVE
Subject: 24TH UNDP GOVERNING COUNCIL: AGENDA ITEM 10(A) - ACTION BY BUDGETARY AND FINANCE COMMITTEE
TAGS: EAID, UNDP
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/d91a9e73-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009